



20-053

TO: Clearing Member Firms
Chief Financial Officers
Back Office Managers
Margin Managers

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Tuesday, February 18, 2020

To receive advanced notification of Performance Bond (margin) changes, through our free automated mailing list, go to

<http://www.cmegroup.com/newsletter/web2lead/web2sf-old.html>

and subscribe to the Performance Bond Rates Advisory Notice listserver.

As per the normal review of market volatility to ensure adequate collateral coverage, the Chicago Mercantile Exchange Inc., Clearing House Risk Management staff approved the performance bond requirements for the following products listed below.

The rates will be effective after the close of business on

Wednesday, February 19, 2020.

Current rates as of:

Tuesday, February 18, 2020.

In this current advisory there are changes to the Short Option Minimum and/or the Volatility Scan Range. Below are descriptions of what each change affects:

The Short Option Minimum (SOM) is a charge that is applied only to portfolios concentrated in short options that do not generate a minimum margin requirement level when margins are calculated using the normal 16 SPAN scenarios. The SOM charge per short calls or short puts is a percentage of the outright margin on one underlying futures contract.

The volatility scan range is the change in implied volatility that is used in each of SPAN's 16 scenarios.

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								

AGRICULTURE - Outright Rates

CME DRY WHEY FUTURES (DY)

DY	Spec	Month 3-12	Increase	USD	1,430	1,300	1,628	1,480
DY	Hedge/Member	Month 3-12	Increase	USD	1,300	1,300	1,480	1,480
DY	Spec	Months 13+	Increase	USD	1,430	1,300	1,628	1,480
DY	Hedge/Member	Months 13+	Increase	USD	1,300	1,300	1,480	1,480

NONFAT DRY MILK FUTURES (NF)

NF	Spec	Month 2	Increase	USD	990	900	1,122	1,020
NF	Hedge/Member	Month 2	Increase	USD	900	900	1,020	1,020

INTEREST RATES - Outright Rates

2-YEAR ERIS SWAP FUTURE (LIT)

LIT	Spec	Month 3	Decrease	USD	83	75	72	65
LIT	Hedge/Member	Month 3	Decrease	USD	75	75	65	65
LIT	Spec	Month 4	Decrease	USD	143	130	121	110
LIT	Hedge/Member	Month 4	Decrease	USD	130	130	110	110
LIT	Spec	Month 5	Decrease	USD	220	200	187	170
LIT	Hedge/Member	Month 5	Decrease	USD	200	200	170	170
LIT	Spec	Month 6	Decrease	USD	303	275	259	235
LIT	Hedge/Member	Month 6	Decrease	USD	275	275	235	235
LIT	Spec	Month 7	Decrease	USD	358	325	303	275
LIT	Hedge/Member	Month 7	Decrease	USD	325	325	275	275
LIT	Spec	Month 8	Decrease	USD	418	380	352	320
LIT	Hedge/Member	Month 8	Decrease	USD	380	380	320	320
LIT	Spec	Month 9	Decrease	USD	495	450	418	380
LIT	Hedge/Member	Month 9	Decrease	USD	450	450	380	380
LIT	Spec	Month 10	Decrease	USD	495	450	418	380
LIT	Hedge/Member	Month 10	Decrease	USD	450	450	380	380
LIT	Spec	Month 11	Decrease	USD	495	450	418	380
LIT	Hedge/Member	Month 11	Decrease	USD	450	450	380	380

2-YEAR USD MAC SWAP FUTURES (T1U)

T1U	Spec		Decrease	USD	495	450	418	380
T1U	Hedge/Member		Decrease	USD	450	450	380	380

3-YEAR ERIS SWAP FUTURES (LIC)

LIC	Spec	Months 4	Decrease	USD	154	140	132	120
LIC	Hedge/Member	Months 4	Decrease	USD	140	140	120	120
LIC	Spec	Months 5	Decrease	USD	226	205	187	170
LIC	Hedge/Member	Months 5	Decrease	USD	205	205	170	170

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
LIC	Spec	Months 6	Decrease	USD	292	265	242	220
LIC	Hedge/Member	Months 6	Decrease	USD	265	265	220	220
LIC	Spec	Months 7	Decrease	USD	385	350	319	290
LIC	Hedge/Member	Months 7	Decrease	USD	350	350	290	290
LIC	Spec	Months 8	Decrease	USD	446	405	369	335
LIC	Hedge/Member	Months 8	Decrease	USD	405	405	335	335
LIC	Spec	Months 9	Decrease	USD	484	440	402	365
LIC	Hedge/Member	Months 9	Decrease	USD	440	440	365	365
LIC	Spec	Months 10	Decrease	USD	545	495	451	410
LIC	Hedge/Member	Months 10	Decrease	USD	495	495	410	410
LIC	Spec	Months 11	Decrease	USD	605	550	501	455
LIC	Hedge/Member	Months 11	Decrease	USD	550	550	455	455
LIC	Spec	Months 12	Decrease	USD	671	610	556	505
LIC	Hedge/Member	Months 12	Decrease	USD	610	610	505	505
LIC	Spec	Months 13	Decrease	USD	726	660	605	550
LIC	Hedge/Member	Months 13	Decrease	USD	660	660	550	550
LIC	Spec	Months 14	Decrease	USD	726	660	605	550
LIC	Hedge/Member	Months 14	Decrease	USD	660	660	550	550
LIC	Spec	Months 15+	Decrease	USD	726	660	605	550
LIC	Hedge/Member	Months 15+	Decrease	USD	660	660	550	550

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								

4-YEAR ERIS SWAP FUTURES (LID)

LID	Spec	Month 4	Decrease	USD	286	260	242	220
LID	Hedge/Member	Month 4	Decrease	USD	260	260	220	220
LID	Spec	Month 5	Decrease	USD	347	315	292	265
LID	Hedge/Member	Month 5	Decrease	USD	315	315	265	265
LID	Spec	Month 6	Decrease	USD	413	375	347	315
LID	Hedge/Member	Month 6	Decrease	USD	375	375	315	315
LID	Spec	Month 7	Decrease	USD	468	425	391	355
LID	Hedge/Member	Month 7	Decrease	USD	425	425	355	355
LID	Spec	Month 8	Decrease	USD	523	475	440	400
LID	Hedge/Member	Month 8	Decrease	USD	475	475	400	400
LID	Spec	Month 9	Decrease	USD	605	550	506	460
LID	Hedge/Member	Month 9	Decrease	USD	550	550	460	460
LID	Spec	Month 10	Decrease	USD	660	600	556	505
LID	Hedge/Member	Month 10	Decrease	USD	600	600	505	505
LID	Spec	Month 11	Decrease	USD	715	650	600	545
LID	Hedge/Member	Month 11	Decrease	USD	650	650	545	545
LID	Spec	Month 12	Decrease	USD	770	700	649	590
LID	Hedge/Member	Month 12	Decrease	USD	700	700	590	590
LID	Spec	Month 13	Decrease	USD	825	750	693	630
LID	Hedge/Member	Month 13	Decrease	USD	750	750	630	630
LID	Spec	Month 14	Decrease	USD	880	800	737	670
LID	Hedge/Member	Month 14	Decrease	USD	800	800	670	670
LID	Spec	Month 15+	Decrease	USD	935	850	781	710
LID	Hedge/Member	Month 15+	Decrease	USD	850	850	710	710

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
5-YEAR ERIS SWAP FUTURES (LIW)								
LIW	Spec	Month 3	Decrease	USD	88	80	77	70
LIW	Hedge/Member	Month 3	Decrease	USD	80	80	70	70
LIW	Spec	Month 4	Decrease	USD	138	125	121	110
LIW	Hedge/Member	Month 4	Decrease	USD	125	125	110	110
LIW	Spec	Month 5	Decrease	USD	204	185	176	160
LIW	Hedge/Member	Month 5	Decrease	USD	185	185	160	160
LIW	Spec	Month 6	Decrease	USD	270	245	231	210
LIW	Hedge/Member	Month 6	Decrease	USD	245	245	210	210
LIW	Spec	Month 7	Decrease	USD	330	300	281	255
LIW	Hedge/Member	Month 7	Decrease	USD	300	300	255	255
LIW	Spec	Month 8	Decrease	USD	391	355	330	300
LIW	Hedge/Member	Month 8	Decrease	USD	355	355	300	300
LIW	Spec	Month 9	Decrease	USD	451	410	385	350
LIW	Hedge/Member	Month 9	Decrease	USD	410	410	350	350
LIW	Spec	Month 10	Decrease	USD	506	460	429	390
LIW	Hedge/Member	Month 10	Decrease	USD	460	460	390	390
LIW	Spec	Month 11	Decrease	USD	556	505	473	430
LIW	Hedge/Member	Month 11	Decrease	USD	505	505	430	430
LIW	Spec	Month 12	Decrease	USD	605	550	517	470
LIW	Hedge/Member	Month 12	Decrease	USD	550	550	470	470
LIW	Spec	Month 13	Decrease	USD	671	610	572	520
LIW	Hedge/Member	Month 13	Decrease	USD	610	610	520	520
LIW	Spec	Month 14	Decrease	USD	726	660	616	560
LIW	Hedge/Member	Month 14	Decrease	USD	660	660	560	560
LIW	Spec	Month 15	Decrease	USD	781	710	666	605
LIW	Hedge/Member	Month 15	Decrease	USD	710	710	605	605
LIW	Spec	Month 16	Decrease	USD	836	760	710	645
LIW	Hedge/Member	Month 16	Decrease	USD	760	760	645	645
LIW	Spec	Month 17	Decrease	USD	880	800	748	680
LIW	Hedge/Member	Month 17	Decrease	USD	800	800	680	680
LIW	Spec	Month 18	Decrease	USD	935	850	798	725
LIW	Hedge/Member	Month 18	Decrease	USD	850	850	725	725
LIW	Spec	Month 19	Decrease	USD	968	880	825	750
LIW	Hedge/Member	Month 19	Decrease	USD	880	880	750	750
LIW	Spec	Month 20	Decrease	USD	1,018	925	869	790
LIW	Hedge/Member	Month 20	Decrease	USD	925	925	790	790
LIW	Spec	Month 21	Decrease	USD	1,073	975	913	830
LIW	Hedge/Member	Month 21	Decrease	USD	975	975	830	830
LIW	Spec	Month 22	Decrease	USD	1,073	975	913	830

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
LIW	Hedge/Member	Month 22	Decrease	USD	975	975	830	830
LIW	Spec	Months 23+	Decrease	USD	1,073	975	913	830
LIW	Hedge/Member	Months 23+	Decrease	USD	975	975	830	830
5-YEAR USD MAC SWAP FUTURES (F1U)								
F1U	Spec		Decrease	USD	1,073	975	913	830
F1U	Hedge/Member		Decrease	USD	975	975	830	830

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
7-YEAR ERIS SWAP FUTURES (LIB)								
LIB	Spec	Month 1	Decrease	USD	281	255	242	220
LIB	Hedge/Member	Month 1	Decrease	USD	255	255	220	220
LIB	Spec	Month 2	Decrease	USD	341	310	292	265
LIB	Hedge/Member	Month 2	Decrease	USD	310	310	265	265
LIB	Spec	Month 3	Decrease	USD	407	370	352	320
LIB	Hedge/Member	Month 3	Decrease	USD	370	370	320	320
LIB	Spec	Month 4	Decrease	USD	457	415	391	355
LIB	Hedge/Member	Month 4	Decrease	USD	415	415	355	355
LIB	Spec	Month 5	Decrease	USD	512	465	435	395
LIB	Hedge/Member	Month 5	Decrease	USD	465	465	395	395
LIB	Spec	Month 6	Decrease	USD	589	535	501	455
LIB	Hedge/Member	Month 6	Decrease	USD	535	535	455	455
LIB	Spec	Month 7	Decrease	USD	644	585	550	500
LIB	Hedge/Member	Month 7	Decrease	USD	585	585	500	500
LIB	Spec	Month 8	Decrease	USD	699	635	594	540
LIB	Hedge/Member	Month 8	Decrease	USD	635	635	540	540
LIB	Spec	Month 9	Decrease	USD	748	680	638	580
LIB	Hedge/Member	Month 9	Decrease	USD	680	680	580	580
LIB	Spec	Month 10	Decrease	USD	820	745	693	630
LIB	Hedge/Member	Month 10	Decrease	USD	745	745	630	630
LIB	Spec	Month 11	Decrease	USD	836	760	710	645
LIB	Hedge/Member	Month 11	Decrease	USD	760	760	645	645
LIB	Spec	Month 12	Decrease	USD	897	815	765	695
LIB	Hedge/Member	Month 12	Decrease	USD	815	815	695	695
LIB	Spec	Month 13	Decrease	USD	935	850	792	720
LIB	Hedge/Member	Month 13	Decrease	USD	850	850	720	720
LIB	Spec	Month 14	Decrease	USD	979	890	831	755
LIB	Hedge/Member	Month 14	Decrease	USD	890	890	755	755
LIB	Spec	Month 15	Decrease	USD	1,018	925	864	785
LIB	Hedge/Member	Month 15	Decrease	USD	925	925	785	785
LIB	Spec	Month 16	Decrease	USD	1,089	990	930	845
LIB	Hedge/Member	Month 16	Decrease	USD	990	990	845	845
LIB	Spec	Month 17	Decrease	USD	1,139	1,035	968	880
LIB	Hedge/Member	Month 17	Decrease	USD	1,035	1,035	880	880
LIB	Spec	Month 18	Decrease	USD	1,183	1,075	1,007	915
LIB	Hedge/Member	Month 18	Decrease	USD	1,075	1,075	915	915
LIB	Spec	Month 19	Decrease	USD	1,232	1,120	1,045	950
LIB	Hedge/Member	Month 19	Decrease	USD	1,120	1,120	950	950
LIB	Spec	Month 20	Decrease	USD	1,276	1,160	1,089	990

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
LIB	Hedge/Member	Month 20	Decrease	USD	1,160	1,160	990	990
LIB	Spec	Month 21	Decrease	USD	1,342	1,220	1,139	1,035
LIB	Hedge/Member	Month 21	Decrease	USD	1,220	1,220	1,035	1,035
LIB	Spec	Month 22	Decrease	USD	1,397	1,270	1,183	1,075
LIB	Hedge/Member	Month 22	Decrease	USD	1,270	1,270	1,075	1,075
LIB	Spec	Month 23	Decrease	USD	1,430	1,300	1,210	1,100
LIB	Hedge/Member	Month 23	Decrease	USD	1,300	1,300	1,100	1,100
LIB	Spec	Month 24	Decrease	USD	1,430	1,300	1,210	1,100
LIB	Hedge/Member	Month 24	Decrease	USD	1,300	1,300	1,100	1,100
LIB	Spec	Month 25	Decrease	USD	1,430	1,300	1,210	1,100
LIB	Hedge/Member	Month 25	Decrease	USD	1,300	1,300	1,100	1,100
7-YEAR USD MAC SWAP FUTURES (S1U)								
S1U	Spec		Decrease	USD	1,430	1,300	1,210	1,100
S1U	Hedge/Member		Decrease	USD	1,300	1,300	1,100	1,100

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								

METALS - Outright Rates

MICRO PALLADIUM FUTURES (PAM)

PAM	Spec	Mnth 1	Increase	USD	2,090	1,900	2,420	2,200
PAM	Hedge/Member	Mnth 1	Increase	USD	1,900	1,900	2,200	2,200
PAM	Spec	Mnth 2	Increase	USD	2,035	1,850	2,365	2,150
PAM	Hedge/Member	Mnth 2	Increase	USD	1,850	1,850	2,150	2,150
PAM	Spec	Mnth 3	Increase	USD	1,870	1,700	2,200	2,000
PAM	Hedge/Member	Mnth 3	Increase	USD	1,700	1,700	2,000	2,000
PAM	Spec	Mnth 4+	Increase	USD	1,870	1,700	2,200	2,000
PAM	Hedge/Member	Mnth 4+	Increase	USD	1,700	1,700	2,000	2,000

PALLADIUM FUTURES NYMEX (PA)

PA	Spec	Mnth 1	Increase	USD	20,900	19,000	24,200	22,000
PA	Hedge/Member	Mnth 1	Increase	USD	19,000	19,000	22,000	22,000
PA	Spec	Mnth 2	Increase	USD	20,350	18,500	23,650	21,500
PA	Hedge/Member	Mnth 2	Increase	USD	18,500	18,500	21,500	21,500
PA	Spec	Mnth 3	Increase	USD	18,700	17,000	22,000	20,000
PA	Hedge/Member	Mnth 3	Increase	USD	17,000	17,000	20,000	20,000
PA	Spec	Mnth 4+	Increase	USD	18,700	17,000	22,000	20,000
PA	Hedge/Member	Mnth 4+	Increase	USD	17,000	17,000	20,000	20,000

PALLADIUM TAS (PAT)

PAT	Spec	Mnth 1	Increase	USD	20,900	19,000	24,200	22,000
PAT	Hedge/Member	Mnth 1	Increase	USD	19,000	19,000	22,000	22,000
PAT	Spec	Mnth 2	Increase	USD	20,350	18,500	23,650	21,500
PAT	Hedge/Member	Mnth 2	Increase	USD	18,500	18,500	21,500	21,500
PAT	Spec	Mnth 3	Increase	USD	18,700	17,000	22,000	20,000
PAT	Hedge/Member	Mnth 3	Increase	USD	17,000	17,000	20,000	20,000
PAT	Spec	Mnth 4+	Increase	USD	18,700	17,000	22,000	20,000
PAT	Hedge/Member	Mnth 4+	Increase	USD	17,000	17,000	20,000	20,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
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Intra Spreads

AGRICULTURE - Intra Spreads

Rough Rice (CBOT) (14) - Months 1 vs Months 2+ (ROUGH RICE FUTURES)

14	Spec	Increase	USD	220	200	275	250
14	Hedge/Member	Increase	USD	200	200	250	250

Rough Rice (CBOT) (14) - Months 2+ vs Months 2+ (ROUGH RICE FUTURES)

14	Spec	Increase	USD	220	200	275	250
14	Hedge/Member	Increase	USD	200	200	250	250

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
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Volatility Scan (volScan) Rate

AGRICULTURE - Volatility Scan (volScan) Rate

FEEDER CATTLE (9F1, FC, FC, GFT) - volScan

Clearing Member Rate	Month 4	Decrease		20.000%	15.000%
Clearing Member Rate	Month 5	Decrease		20.000%	15.000%
Clearing Member Rate	Months 6+	Decrease		20.000%	15.000%

OATS (O, O) - volScan

Clearing Member Rate	Months 1-2	Increase		13.000%	25.000%
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